

Message Text

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PAGE 01 JAKART 05666 031124Z

ACTION EB-07

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 NEA-10 ISO-00
ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02
DODE-00 FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 IO-13 PA-01 PRS-01
/149 W

-----031157Z 107847 /53

R 030900Z MAY 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 0808

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMCONSUL DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY KUALA LUMPUR

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY SINGAPORE

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL HONG KONG

AMCONSUL MEDAN

AMCONSUL SURABAYA

USMISSION EC BRUSSELS

OECD PARIS - UNN

USINT BAGHDAD

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C O N F I D E N T I A L JAKARTA 05666

E.O. 11652: GDS

TAGS: ENRG, ID, OPEC

SUBJECT: OPEC PRICE COMPROMISE

REF : (A) JAKARTA 04930, (B) JAKARTA 05198

1. DURING MY CALL MAY 3 ON MINES MINISTER SADLI, I ASKED ABOUT REPORTS OF POSSIBLE OPEC PRICE COMPROMISE STEMMING FROM VISIT OF VENEZUELAN PRESIDENT PEREZ TO MIDDLE EAST. SADLI SEEMED UNAWARE OF SUCH REPORTS AND INDICATED HE HAD NO INFORMATION WHICH WOULD CORROBORATE THEM.

2. SADLI REITERATED HIS UNDERSTANDING THAT IRAN REMAINED MAIN STUMBLING BLOCK TO COMPROMISE. SAUDIS, HE FELT, MIGHT AGREE TO RAISE PRICES TO EIGHT PERCENT LEVEL BUT IRAN REFUSED TO BUDGE DOWNWARD. SADLI SAID IRANIAN POSITION SEEMED BASED MORE ON FACE SAVING" THAN ECONOMICS.

3. MINISTER EXPRESSED VIEW THAT JULY "DEADLINE" MADE IT DIFFICULT TO WORK OUT COMPROMISE. SADLI SAID HE PREFERRED LEAVING SITUATION ALONE UNTIL END OF YEAR, "BUT THEN WE WOULD HAVE TO WORRY ABOUT 1978." PRICING PROBLEM WAS REALLY GULF PROBLEM SINCE OTHERS-- NIGERIA, INDONESIA, VENEZUELA--WERE DOING REALTIVELY WELL ON THEIR LIFTINGS.

4. IN EXAMINING FACT SHEET ON PRESIDENT'S ENERGY PROGRAM WHICH I PRESENTED HIM, SADLI NOTED PROVISION CALLING FOR ESCALATION OF DOMESTIC OIL PRICES AT GENERAL RATE OF INFLATION. HE COMMENTED WITH A SMILE THAT THIS SEEMED TO HAVE SOME SIMILARITY TO OPEC'S DEMAND FOR INDEXATION. NEWSOM

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 03-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: ENRG, ID, OPEC
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